

Message Text

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ACTION XMB-04

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FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 2554

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E.O. 11652: N/A
TAGS: LE, ETRD, SOPN
SUBJECT: STATUS OF EXIM LOAN TO AN NAHAR PRINTING PRESS

1. MARWAN HAMADE, DIRECTOR GENERAL OF AN NAHAR AND ABDUL KARUN MATTAR, ASSISTANT GENERAL MANAGER OF AN NAHAR PRINTING PRESS (COOPERATIVE PRINTING COMPANY), CALLED ON ME DEC 16 TO EXPLAIN STATUS OUTSTANDING 1972 EXPORT-IMPORT BANK LOAN TO AN NAHAR TO COVER EXPENSE OF NEW PRINTING PRESS. MATTAR ADVISED THAT AN NAHAR HAD MADE FIRST THREE PAYMENTS: DEC 74, \$70,000; JUN 75, \$50,000; DEC 75, \$50,000. TOTAL LOAN WHICH WAS GRANTED BY MELLON BANK INTERNATIONAL NEW YORK (LOAN NO. L-871), AND UNDERWRITTEN BY EXIM, IS FOR APPROXIMATELY \$700,000, WITH FINAL PAYMENT DUE 12/79.

2. MATTAR EXPLAINED THAT AN NAHAR HAD BEEN UNABLE TO MEET JUN AND DEC 76 PAYMENTS AS A RESULT OF WAR. 750 TONS OF NEWSPRINT (\$375,000) HAD BEEN LOST AND COMPANY HAD TO PAY EXHORBITANT RATE AND IN CASH TO REPLACE PAPER. THE MELLON BANK, FROM MY READING OF THE CORRESPONDENCE, HAS BEEN REASONABLE AND HAS DELAYED FILING A LOSS CLAIM UNTIL THEY TALKED WITH AN NAHAR REPRESENTATIVE. BANK REQUESTED INFORMATION ON AN NAHAR'S PLANS FOR MAKING UP PAYMENTS. AN NAHAR REPLIED THAT IT WOULD SEND MATTAR
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TO NEW YORK IN THE SECOND HALF OF JANUARY TO DISCUSS
FUTURE PAYMENTS SCHEDULE WITH BANK.

3. MATTAR MAINTAINED THAT COMPANY WAS IN RELATIVELY
GOOD FINANCIAL POSITION. BUT FOR THE LOSS OF THE
NEWSPRINT, THERE WOULD HAVE BEEN NO DIFFICULTY IN MEETING

THE PAYMENTS. ALTHOUGH PAPER SUFFERED FROM LOWER CIRCULATION AND LOSS OF ADVERTISING, IT CONTINUED PUBLISHING THROUGHOUT WAR AND SUFFERED NO PHYSICAL DAMAGE TO PLANT. THE PROBLEM IS ONE OF LIQUIDITY. COMPANY HOPED BY THE TIME MATTAR WENT TO NEW YORK, IT WOULD KNOW WHETHER GOL INTENDED TO INDEMNIFY COMPANIES FOR SUCH LOSSES.

4. MATTAR ASKED EMBASSY TO COUCH FOR STANDING OF COMPANY AND ITS INTENTION TO FINANCE DEFAULT AS SOON AS IT WERE ABLE TO DO SO. I TOLD HIM THE DEPARTMENT'S CONTACT WOULD BE PRIMIRILY WITH EXPORT-IMPORT BANK. I WAS SURE DEPARTMENT WAS AWARE OF BONA FIDES OF AN NAHAR AND WOULD PASS ON INFORMATION ON GENERAL BACKGROUND OF NEWSPAPER IF THAT WERE REALLY NECESSARY. I ASKED IF GHASSAN TUEINI WOULD BE TALKING WITH MELLON BANK OFFICIALS DURING HIS CURRENT VISIT TO THE US. MATTAR REPLIED THAT TUEINI WAS OF COURSE AWARE OF PROBLEM, BUT THEY DID NOT WANT TO BOTHER HIM DURING HIS MISSION FOR GOL AND MATTER WOULD BE HANDLED BY MATTAR.

5. COMMENT: I HAVE NO WAY OF CONFIRMING FINANCIAL POSITION OF AN NAHAR, BUT I ALSO HAVE NO REASON TO DOUBT WORD OF ASSISTANT MANAGER OF THIS WELL-KNOWN AND REPUTABLE COMPANY. I DOUBT IF ANYTHING NEEDS TO BE DONE AS MELLON CORRESPONDENCE APPEARED BOTH FRIENDLY AND UNDERSTANDING. DEPARTMENT, HOWEVER, MAY WISH TO DISCUSS DEFAULT WITH EXIM OFFICIALS, ADVISE BANK OF AN NAHAR'S STANDING AS MIDDLE EAST'S LEADING DAILY, AND LET EMBASSY KNOW RESULTS.
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HOUGHTON

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NNN

Message Attributes

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